

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

August 24, 1999

IN RE:)	
)	
PETITION OF DEKALB TELEPHONE)	DOCKET NO. 99-00271
COOPERATIVE, INC., FOR APPROVAL OF AN)	
INTRALATA TOLL DIALING PARITY PLAN)	

**ORDER APPROVING THE INTRALATA TOLL DIALING PARITY
IMPLEMENTATION PLAN OF DEKALB TELEPHONE COOPERATIVE, INC.**

This matter came before the Tennessee Regulatory Authority (the "Authority") on June 8, 1999, at a regularly scheduled Authority Conference, to consider the Petition of Dekalb Telephone Cooperative, Inc. ("Dekalb") for approval of its IntraLATA Toll Dialing Parity Implementation Plan ("the Plan").

Section 251(b) of the Telecommunications Act of 1996 ("the Act") requires all Local Exchange Carriers to provide dialing parity.¹ Specifically, section 251 (b)(3) of the Act states, "Dialing Parity - The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays." The Act further states in sections 251(f)(1) and 251(f)(2) that a rural telephone company may file with the state commission for exemption, suspension or modification of the dialing parity requirements.

¹ Telecommunications Act of 1996, Pub. L. No. 104-104, (February 8, 1996), codified at 47 U.S.C. §§151 *et seq.*

FILE

The Federal Communications Commission ("FCC") initiated a rulemaking on dialing parity on April 19, 1996 and issued its findings in FCC 96-333 Order (Docket 96-98) adopted on August 8, 1996. This Order sets forth the criteria and guidelines for filing of a plan by all carriers. Subsequent to this Order the United States Court of Appeals for the Eighth Circuit vacated the FCC's rules, as they were applicable to intrastate services.² On January 25, 1999, the United States Supreme Court reversed certain portions of the Eighth Circuit's decision including that part of the decision which had stricken the FCC's rules pertaining to dialing parity.³

The FCC's original date for implementation, February 8, 1999, was reinstated by the Supreme Court's decision of January 25, 1999. As a result of this reinstatement, the FCC released FCC 99-54 Order (Docket 96-98) on March 23, 1999, which set forth revised implementation dates for dialing parity. This Order establishes April 22, 1999 as the new date by which all Local Exchange Carriers must file an IntraLATA Toll Dialing Parity Plan with State Commissions for approval. The Plan must be implemented within thirty (30) days after approval from the State Commission. Additionally, the Order states that the Plan must be filed with the Common Carrier Bureau of the FCC if the State Commission has not acted on the Plan by June 22, 1999.

Dekalb is a telecommunications company operating under Tenn. Code Ann. Title 65, Chapter 29 as a cooperative local exchange carrier providing telecommunications services in Tennessee. Pursuant to 47 C.F.R. § 51.213, Dekalb is required to file a plan with the Authority that provides for intraLATA toll dialing parity in all Dekalb exchanges in Tennessee.⁴ The plan

² FCC v. Iowa Utils. Bd., United States Court of Appeals for the Eighth Circuit, July 18, 1997.

³ AT&T v. Iowa Utils. Bd., 119 S.Ct. 721 (1999).

⁴ Under 47 C.F.R. §51.213, the Federal Communication Commission requires that an IntraLATA toll dialing parity plan contain: (1) a proposal that explains how the local exchange carrier will offer intraLATA toll dialing parity for each exchange that such carrier operates in the state, in accordance with the provisions of this section, and a proposed time schedule for implementation; and (2) a proposal for timely notification to its subscribers and the methods it proposes to use to enable each subscriber to affirmatively select an intraLATA toll service provider. The state commission must approve any such plan prior to implementation.

must allow customers to pre-subscribe to different carriers for local service, intraLATA toll service and interLATA toll service.⁵

Dekalb filed its IntraLATA Toll Dialing Parity Implementation Plan on April 21, 1999. The Plan was amended on June 1, 1999. The amended Plan containing Dekalb's Petition for Approval is attached hereto as Exhibit I and is fully incorporated herein by this reference.

The Directors considered Dekalb's Plan at the June 8, 1999 Authority Conference and determined that the Plan, as amended, satisfies the requirements set forth by the FCC in Docket 96-98, FCC Order 96-333 and FCC Order 99-54.⁶ The Plan provides for a method that enables customers to select alternate providers of telephone toll service; a method which allows customers to choose different carriers for interLATA and intraLATA service; customer notification/education procedures; and a PIC change charge waiver period. The Directors unanimously voted to approve Dekalb's Toll Dialing Parity Plan as amended, with the requirement that Dekalb comply with all applicable sections of FCC Order 96-333 upon implementation of intraLATA equal access.

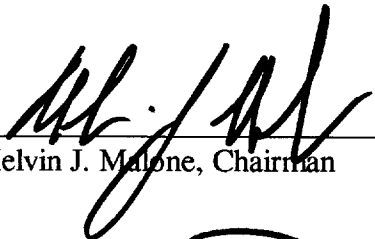
IT IS THEREFORE ORDERED THAT:

1. The amended Plan of Dekalb Telephone Cooperative, Inc., for IntraLATA Toll Dialing Parity Implementation, a copy of which is attached as Exhibit I, is hereby approved and is incorporated in this Order as if fully rewritten herein;
2. Dekalb Telephone Cooperative, Inc. shall comply with all applicable sections of FCC Order 96-333 upon implementing IntraLATA equal access; and

⁵ Pre-subscription allows the customer to place a call without dialing an access code.

⁶ FCC Order 96-333, released August 8, 1996, sets forth the requirements for implementation of IntraLATA Toll Dialing Parity. FCC Order 99-54, released March 23, 1999, extends to June 22, 1999 the deadline for state commissions to act on a LEC's IntraLATA Toll Dialing Parity Plan.

3. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.



Melvin J. Malone, Chairman




H. Lynn Greer, Jr., Director



Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary



REC'D TN
REGULATORY AUTH.

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OFFICE OF THE
EXECUTIVE SECRETARY

May 27, 1999

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

99-00271

Dear Mr. Waddell:

At the request of the staff we are re-submitting our IntraLATA Toll Dialing Parity Implementation Plan with Attachment A-1 effective this date.

Should you have any questions please contact me at 615-529-2151 extension 2201.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Wayne Gassaway'.

Wayne Gassaway
General Manager

WG:DJB:ap

Enclosures: Original Plan and 13 Copies

REC'D TN
REGULATORY AUTH.

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OFFICE OF THE
EXECUTIVE SECRETARY

DEKALB TELEPHONE COOPERATIVE, INC.
d/b/a DTC Communications

IntraLATA Toll Dialing Parity Implementation Plan

June 1, 1999

Implementation Date

DeKalb Telephone Cooperative, Inc.

Alexandria, Tennessee

April 19, 1999

Exhibit 1 to the Petition of DeKalb Telephone Cooperative, Inc. to the Tennessee
Regulatory Authority for Approval of the subject plan.

I. Purpose

DeKalb Telephone Cooperative, Inc (DTC) has described herein the process for implementing intraLATA toll dialing parity in the DTC exchanges located in the state of Tennessee. The intent of the Plan is to provide a proposal that, upon implementation, would provide customers the ability to select the participating telecommunications carrier of their choice for routing their intraLATA toll calls. (Refer to Attachment A-1, Section I.)

II. IntraLATA Environment

DTC customers in Tennessee can currently dial an access code to complete intraLATA toll calls to another carrier. After implementation of the intraLATA toll dialing plan, customers will be able to subscribe to the carrier of their choice for intraLATA as well as interlata service (two-PIC subscription capability). Customers will dial 1+ the area code and number to complete calls using their subscribed carrier. If customers wish to complete a call using a carrier other than their subscribed carrier, they will need to dial the carrier's access code.

Each end office switch will be equipped with the capability of allowing each end user subscriber to select "no-PIC" as a valid intraLATA subscription selection. Customers selecting "no-PIC" as their subscribed carrier will not be able to make intraLATA toll calls on a 1+ or 0+ dialed basis. Such customer will need to dial an access code each time he or she makes an intraLATA call.

In 1991, DTC implemented toll-free county wide calling for its entire service area. BellSouth currently maintains tax-code billing tables to identify "free-county-wide" intraLATA toll calls originated by DTC intraLATA toll customers and to ensure that billing does not occur on these calls. DTC will continue to process toll-free intraLATA county-wide calls in this manner for toll customers after implementation of intraLATA toll dialing as long as technically feasible.

In 1994, DTC also implemented toll-free Metro Area Calling for qualifying DTC exchanges. DTC will also continue to provide this service in the qualifying exchanges as long as technically feasible.

III. Implementation Schedule

DTC will provide intraLATA toll dialing parity in Tennessee on June 1, 1999.

IV. Carrier Selection Procedures

DTC will implement the full Two-PIC (Primary Interexchange Carrier) carrier selection methodology. With the full two-PIC methodology, customers will be able to subscribe to one telecommunications carrier for interLATA toll calls and subscribe to the same or a different participating telecommunications carrier, for all intraLATA toll calls. Orders for changes will be accepted and processed beginning on the implementation date.

DTC customer service representatives will be trained to explain to customers the process for making PIC changes for intraLATA toll calls. Business Office personnel will make changes in customer records based upon requests from customers or carriers and direct customers to their chosen intraLATA carriers. Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from a list of available carriers.

Existing Customers

Currently, intraLATA toll is provided by all local telephone companies through a pooling arrangement with BellSouth as the primary carrier. On June 1, 1999, customers may subscribe to any telecommunications carrier offering intraLATA toll service in their exchange. Customers will remain with the local toll provider until they affirmatively choose an intraLATA toll carrier. Customers may make this selection through their own initiative or as a result of the promotional marketing activities of participating intraLATA toll telecommunications carriers. Customers may communicate their choice of carriers to DTC directly or through their selected carriers.

Customers will be allowed one PIC change at no charge during the first 90 days after Dialing Parity is implemented effective June 1, 1999. Customers will be assessed a PIC change charge for changing their intraLATA carrier at a rate of \$5.00. When customers request a simultaneous change to the same carrier for their interstate and intrastate service, DTC will assess two PIC charges, one from the interstate tariff and one from the intrastate tariff.

A charge will be established for unauthorized PIC changes submitted by carriers to DTC for end-user customers (slamming).

New Installation Customers

DTC customer service representatives will be provided discussion guidelines that will provide a new customer with the following information:

1. Inform the customer that a choice of intraLATA toll providers is now available.
2. Provide a list of available carriers in randomly generated order if requested.
3. Advise the customer that various carriers provide intraLATA toll service.

Customers who do not make a positive choice for an intraLATA toll carrier will be notified that they will not be automatically defaulted to a carrier and will be required to dial an access code to place intraLATA toll calls until they make an affirmative choice for intraLATA toll carrier.

PIC Charge Waiver Period

Customers will be given a period of ninety (90) days within which to make one change of their preferred carrier at no cost to the customer. This waiver period will begin on June 1, 1999. The costs associated with this waiver will be recovered through the general cost recovery mechanism.

V. Customer Education/Notification

At the time of implementation, June 1, 1999, the TRA will issue a press release announcing the availability of intraLATA 1+subscription. This press release will announce the opportunity to choose a primary intraLATA carrier and explain the 90 day waiver period from June 1, 1999 through August 31, 1999.

DTC will notify all existing end users via bill insert and a notice in the subscriber newsletter, which is mailed directly to subscriber, regarding intraLATA subscription implementation and explain their opportunity to select an intraLATA carrier. The wording of the customer notification includes an explanation of the PIC change charge waiver period and is shown as Exhibit A. Customer telephone directories will be updated as new editions are published to reflect the opportunity for customers to choose an intraLATA toll carrier. After implementation, all new customers will be advised of intraLATA availability and requested to make an intraLATA carrier selection. (Refer to Attachment A-1, Section II.)

VI. Carrier Notification

Current interexchange carriers will be notified of DTC intraLATA toll dialing parity implementation via Certified U.S. Mail at implementation. Carriers that currently participate in interlata toll will be assumed to be participants in the intraLATA toll market. Certified carriers who enter the market after implementation will be added to the list of participating carriers within 30 days of notifying DTC. (Refer to Attachment A-1, Section III.)

VII. Operator Services and Directory Assistance

Access to Operator Services and Directory Assistance will continue to be available through the customer's local exchange carrier or interLATA carrier. No industry standard exists for access to Operator Services and Directory Assistance unique to intraLATA services. For Operator Services, customers dial "0" to reach their local exchange operator and "00" to reach their interLATA operator. For Directory Assistance, customers dial "1-411" or 1-615-555-1212 for accessing the local exchange Directory Assistance and dial "1-NPA-555-1212" for accessing their interLATA carrier's Directory Assistance.

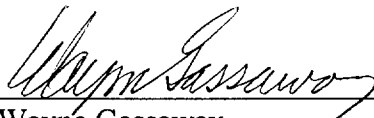
VIII. Cost Recovery

In accordance with 51.215 of FCC Order 96-333, CC Docket No. 96-98, cost recovery for the incremental cost of dialing parity may be recovered. However, DTC Communications has chosen not to pass this cost along to customers and will implement dialing parity at no cost increase. Attached, as Exhibit B, is a detailed explanation of the cost associated with implementation for review purposes only.

IX. Statement of Compliance

DTC will comply with all rules of the FCC and the TRA.

Executed as of the 19th Day of April, 1999



Wayne Gassaway
General Manager of DeKalb Telephone Cooperative, Inc.
111 High Street
P.O. Box 247
Alexandria, TN 37012
Phone: 615-529-2151

BILL MESSAGE

DTC Communications will implement local toll 1+ subscription service on June 1, 1999. You will be able to choose a local toll provider. Your current carrier will continue to provide this service for you or you may select another carrier. You may select the same provider as your interstate long distance service provider or you may select a different provider for each service. Your first selection prior to August 31, 1999 will be free.

SUBSCRIBER NEWSLETTER ARTICLE (Direct Mail)

IMPORTANT NOTICE ABOUT LOCAL TOLL SERVICE

"As of June 1, 1999, you are able to choose your provider of "1+" local toll service. This change allows you to remain with your current carrier or select a different long distance carrier for local toll calls. Please refer to the information pages in the front of your Ben Lomand telephone directory under "Long Distance Calling" for a description of your local toll calling area.

If you would like to select a different carrier for your "1+" local toll service, you should contact that company. No action is necessary to keep your current provider for these local toll calls.

From June 1, 1999 until August 31, 1999 you will be able to change your local toll carrier one time without charge. There may be a charge for each subsequent change you make in local toll companies."

**DeKalb Telephone Cooperative, Inc.
d/b/a DTC Communications**

**Attachment to IntraLATA Toll Dialing Parity Implementation Plan
Attachment A-1**

- I. IntraLATA Toll Dialing Parity will be provided in the following DTC exchanges.

273 - Milton
286 - Norene
408 - Wilson County
409 - Rutherford County
464 - Auburntown
529 - Alexandria
536 - Liberty
548 - Temperance Hall
563 - Woodbury
597 - Smithville
683 - Gordonsville
765 - Woodland

- II. Customers will receive written notification in the May 1, 1999, bills. A special edition of the DTC Dial Tone on June 1, 1999, will provide information regarding IntraLATA Toll Dialing Parity.
- III. DTC will associate with LATA 470.

TENNESSEE
METHODOLOGY FOR RECOVERY OF COSTS
ASSOCIATED WITH
IMPLEMENTATION OF INTRALATA SUBSCRIPTION

CALCULATION OF INITIAL EQUAL ACCESS RATE ELEMENT
(FOR REVIEW PURPOSES ONLY)

Step 1: Identify the estimated total incremental costs directly attributable to the provisioning of IntraLata Subscription.

\$20,000

Step 2: Identify the estimated total Intrastate/IntraLATA minutes of use for the 4 year recover period.

122,600,536

Step 3: Calculate a cost recovery rate by dividing amount in Step 1 by the Minutes of Use in Step 2.

* .00016

*** NOTE: Because equipment was already in place, recovery of costs is not necessary. Present access charges will remain in effect.**